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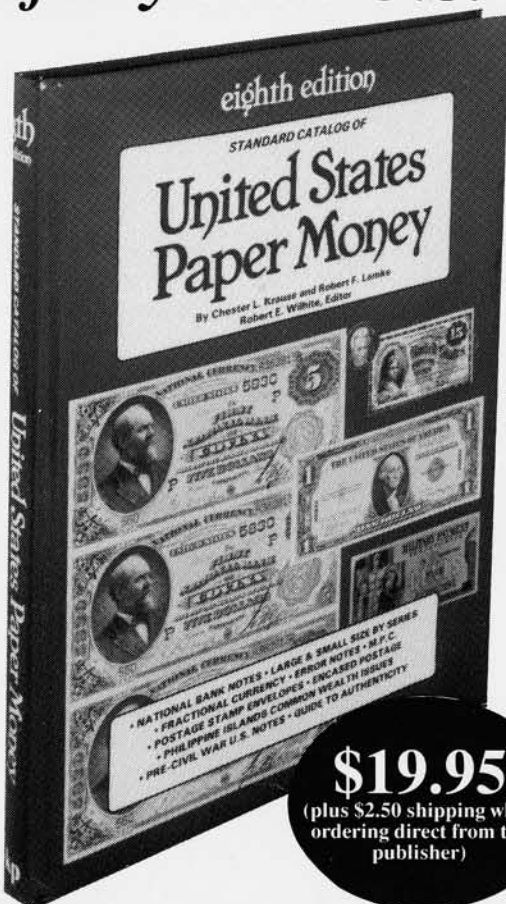
VOL. XXVIII No. 6
WHOLE No. 144

NOV./DEC. 1989



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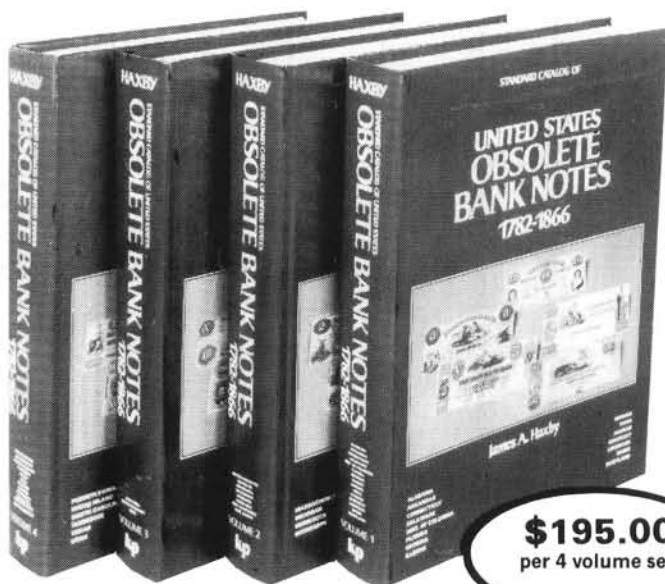
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"...this was how the rich got that way—when you needed something, you just wrote a check!"

How Cassie Chadwick Broke the Bank

by BOB COCHRAN

This story doesn't deal with someone winning big at the gambling table; rather, it's how one woman ruined the Citizens National Bank of Oberlin, Ohio, and how she destroyed the careers of several respected bankers in the process. Until she was convicted she was one of the most successful "con artists" of her time.



CASSIE CHADWICK

Copied from an original photograph made about 1897, and secured through the courtesy of C.A. Farnsworth of the Union Trust Co., Cleveland

"MISS ELIZABETH BIGLEY, HEIRESS TO A FORTUNE"

CASSIE Chadwick's real name was Elizabeth Bigley. She was raised in Eastwood, near Woodstock, in Ontario, Canada. She was an excellent and imaginative student; her teacher was Cassie Cushing (the source of her alias). Dan Bigley, Elizabeth's father, was a dollar-a-day section boss on the Great Western Railway and farmed in his free time. Elizabeth

often dreamed of being wealthy, and when she was still quite young she experienced her first taste of "the good life."

She was an attractive young girl, and wise beyond her years. At the age of thirteen she sold her virtue for fifty dollars (she insisted on cash) to a local farmer who was attracted to her and authorized a fictitious letter to herself from a non-existent lawyer informing her that an uncle (also fictitious) had passed away, leaving her fifteen thousand dollars. She skipped school and took the train to the nearest town, Woodstock, and showed the letter to the clerk in the town's only bank. The clerk was somewhat disappointed that Elizabeth only wanted to deposit thirty dollars cash, but he was fooled by the bogus letter. He gave her a book of blank checks, and explained to her how they were used. To Elizabeth, this was how the rich got that way—when you needed something, you just wrote a check!

In short order, she wrote checks for a gold bracelet, two dresses for herself and a skirt for her sister, and a package of business cards (the cards stated in large letters "Miss Elizabeth Bigley," and underneath in smaller letters "Heiress to a Fortune"). She checked into a local hotel, and the next morning went out to eat and window-shop. When she returned to the hotel she was arrested for passing bad checks and taken to the local jail. When she appeared before the magistrate the next day, a constable told the court about her family and referred to Elizabeth as "the odd one." The magistrate decided that she was mentally disturbed and ordered her release. The goods she had purchased were returned to the merchants; the cost of the hotel room and the business cards was taken from the deposit she had made at the bank.

"MADAME LYDIA DeVERE"

The next year Elizabeth left Eastwood for good to hone her skills at deception. In Toronto she became a prostitute; later in Toledo she billed herself as a clairvoyant, "Madam Lydia DeVere"; she and a man she had duped into believing that she loved him were arrested and charged with fraud and forging checks and promissory notes of prominent individuals. The case drew extra attention from the local press because the attorney for the dupe, one Joe Lamb, claimed that Lamb had been hypnotized by "Madame DeVere" and made to do her bidding. The tactic worked, and Lamb was acquitted.

Elizabeth's lawyer rebutted the charges against her for forgery by claiming that there was no absolute proof that she had personally forged the signatures on the worthless documents. On the fraud charge, her attorney attempted to confuse the jury by raising the question of what constituted fraud: Elizabeth had claimed to be one "Florida G. Blythe," a fictitious name that she had made up. Her attorney questioned whether it was illegal to pretend to be someone who did not exist; to impersonate a living person was one thing, but to claim to be someone who did not exist was not fraud, or so he claimed. The prosecution faced the prospect of losing its case, but on the last day of the trial they shocked Elizabeth and her attorney by producing a surprise witness—a woman of means from Cleveland whose real name was "Florida G. Blythe"! The real Florida G. Blythe testified that she had never heard of "Madame Lydia DeVere" and had never had any dealings with her.

Elizabeth was convicted of fraud and sentenced to a term of nine years and six months in the state penitentiary in Columbus, Ohio. She served three years and six months of her sentence

before being pardoned by Governor William McKinley. In 1894 Elizabeth turned up in Cleveland under the name of Mrs. C. (Cassie) L. Hoover. To finance her extravagant lifestyle she became a madame in a Cleveland brothel. Shortly after she began this work she was introduced to a shy doctor, Leroy S. Chadwick. Amazingly she convinced him that she had no idea of the type of establishment she was living in—only that the girls came and went as they pleased and that some of them appeared to have questionable morals! Chadwick was a lonely man, and, falling for Elizabeth's apparent innocence and charm, invited her to move into his home.

CASSIE CHADWICK, "FINANCIER"

Leroy Chadwick was quite wealthy through an inheritance, and Elizabeth went to work on him. In February of 1896 they were married in Pittsburgh, ostensibly to keep her description and photograph out of the Cleveland papers. Cassie convinced her new husband that his financial affairs were in a shambles, and he was only too glad to let her (and a lawyer of her choosing) manage his properties. She redecorated their home on Euclid Avenue and spent his money lavishly on gifts for her friends. After she had taken several of her young women friends on a trip to Europe, she found that she and her new husband were broke. Not only that; Cassie had purchased costly gifts for herself and her retinue overseas, and the bills were coming in.

As she had discovered when she was young, the best place to get money was a bank. She knew that it would be risky in Cleveland, so she chose the Citizens National Bank of nearby Oberlin, Ohio. (The Citizens National Bank of Oberlin was originally chartered in August 1863, and assigned charter number 72 by the Comptroller of the Currency. When its twenty-year charter expired, the bank was liquidated on June 1, 1882 and reorganized. The bank retained its original name but was assigned a new charter number, 2718.) Cassie told the president of the bank, Charles B. Beckwith, that she wanted to make an endowment to the local Oberlin College, but that her funds were not available at the moment, and she asked if he would furnish her \$13,000 on her personal note. Beckwith thought that this might be the start of a profitable arrangement; he knew that Euclid Avenue was an affluent section of Cleveland, and he may have been aware that Dr. Chadwick was (formerly) a wealthy man. The bank's capitalization at the time was only \$60,000, and the legal limit of a loan was \$6,000; so Beckwith loaned her the money out of his own pocket. He generously offered to deliver the check to the college personally, and Cassie agreed.

During the conversation Cassie decided that Beckwith could be useful to her. She confided to him that she was unable to

manage her finances, and that her finances were substantial; she needed the advice and guidance of a knowledgeable banker such as he. She also confessed that the source of her wealth was due to the fact that she was the illegitimate daughter of none other than Andrew Carnegie!

She told Beckwith that Carnegie had regretted his sin, and in order to make it up to her he had furnished her with her personal notes for large sums (plus interest) that were due the following year. This would make it appear that she was "earning" the money, rather than Carnegie simply giving it to her. She asked Beckwith if it was possible to borrow money against the notes, and he eagerly agreed. Cassie produced a forged note for \$250,000 bearing the signature of Andrew Carnegie and signed the note over to Beckwith and Albert B. Spear, cashier of the bank. Beckwith gave her a receipt stating that she had that amount of money on deposit at the bank.

Cassie's next stop was the Wade Park Banking Company in Cleveland, where she showed her receipt to the firm's secretary, Iri Reynolds. Reynolds was familiar with the Chadwick family, although he had never before met Dr. Chadwick's new wife. She used the receipt to establish a credit of \$125,000, and promptly wrote a check against it for \$100,000. Then she took a train to New York, where she used the money to open an account at the Lincoln National Bank.

She then:

1. Wrote a check for \$300,000 on her new account at the Lincoln National Bank in New York and mailed it to Charles Beckwith at the Citizens National Bank of Oberlin. She instructed him to repay her loan of \$13,000 and to deposit the rest in her account there.

2. Went back to the Wade Park Banking Company and gave Reynolds a check on the Citizens National Bank of Oberlin for \$125,000, to cover her loan. Because she had repaid the loan so promptly, Reynolds advanced her a new loan of \$350,000.

3. Wrote a check against her new loan at the Wade Park Banking Company for \$300,000, and sent it to the Lincoln National Bank of New York to cover the first check drawn on her account and deposited with Beckwith. [The way I figure it, Cassie "cleared" \$75,000 on this series of transactions; if I'm wrong, I'm sure one of our members more versed in math will correct me.]

Cassie went back to Oberlin to confer with Beckwith; she told him that "her father" wanted her to purchase a building owned by the wealthy financier Charles Schwab, one of her neighbors in Cleveland; but Carnegie did not want it known that he personally was interested in the building, so he had asked Cassie to handle the deal. She told Beckwith that Carnegie had offered her a 10% commission, which could be over \$100,000 if she were able to acquire the property for him; if Beckwith would



Third Charter Red Seal note issued by the Citizens National Bank of Oberlin, Ohio. Arthur Spear signed this note as cashier, and Charles B. Beckwith signed as president, although his signature has almost completely faded.

help her he could have half of the commission. Beckwith had some reservations about the deal, but agree to help.

She called Beckwith a few days later and told him she had talked to Schwab. It seemed that Schwab had another offer on the property, but if Cassie could furnish him with earnest money of \$150,000 he would consider her offer. Beckwith, perhaps seeing his half of the commission disappearing, told Cassie to write Schwab a check for \$150,000 on her account at the Citizens National Bank; he would send her a note to sign, to meet the legal requirement for the transaction. Several weeks went by and Beckwith had not received the signed note. When he was finally able to reach Cassie by telephone she told him that the deal had fallen through and that she had torn up the note.

Cassie continued to conjure up money based upon her "secret" relationship to Andrew Carnegie. She furnished Iri Reynolds with an envelope for his safekeeping that she said contained securities (consisting of, among other things, stock of the Caledonia Railway of Scotland, which was owned by Carnegie). Reynolds accepted the envelope without investigating its contents and issued her a receipt for \$5 million!

To satisfy other loans, she produced a bogus trust agreement stating that Andrew Carnegie held in trust for her property amounting to over \$10 million, which consisted of:

2,500 shares of stock of the Great Western Railway of England and Wales, valued at \$2,100,000;

1,800 shares of stock of Caledonia Railway of Scotland, valued at \$1,146,000; and

Bonds of the United States Steel Corporation of New Jersey, bearing interest at 5%, valued at \$7,000,000.

After she had married Leroy Chadwick, Cassie had become a member of the Euclid Avenue Baptist Church, of which John D. Rockefeller was also a member. Although she apparently never attended a service, she did call on the pastor of the church and confided her "secret" to him. She told him delicately that she was in need of a short term loan. It's possible that she was attempting to get an introduction to Rockefeller; instead the pastor, Charles Eaton, wrote a letter to his brother John, who was a prominent lawyer in Boston. Included in the letter was a promissory note for \$500,000 from Carnegie to Cassie, which Cassie had furnished him, along with a list of the securities supposedly on deposit at the Wade Park Bank, which she claimed were now worth over \$7 million.

Eaton helped Cassie to arrange a loan from one of his clients, Herbert D. Newton, a banker from Boston. She had wanted to obtain \$200,000 from him, but he offered her a check and a personal note totaling \$129,000 in exchange for her promissory note of \$190,000; he explained that the first year's interest of 5% was deducted first, leaving \$190,000, and that the difference between the \$129,000 and \$190,000 was made up of the bank's commission and handling charge.

She took Newton's check and note and deposited them at the Lincoln National Bank of New York, apologizing for the earlier confusion she had caused previously when she had overdrawn her account. When she returned to Ohio, she visited Charles Beckwith at the Citizens National Bank of Oberlin and wrote him a check on the Lincoln National Bank to cover his outstanding loan to her. Showing Beckwith her receipt for \$5 million from the Wade Park Bank, she arranged another loan from his bank for \$80,000. When she got back to Cleveland, she wrote a check on the Citizens National Bank of Oberlin (for \$300,000) and sent it to the Lincoln National Bank of New York—after she had deposited Newton's note and check, she had promptly overdrawn that account—AGAIN.

Cleveland, Ohio.
Apr 12 - 1904 -

I hereby sell, assign and transfer unto C.B. Beckwith and A.B. Spear, for a valuable consideration and a full settlement of all their claims against me, a certain promissory note dated Jan 7th, 1904, signed by Andrew Carnegie, for two hundred and fifty thousand dollars (\$250,000) due one year after date with interest at 5% per annum.

And I hereby certify that I am the lawful owner of said note, that it is free from all offsets, and I leave the right to bargain and sell the same, and this is my free will and act.

Signed - C.L. Chadwick
Mary Cairns

This is Cassie's assignment of a forged \$250,000 promissory note to Charles Beckwith and Arthur Spear, president and cashier respectively, of the Citizens National Bank of Oberlin, Ohio. It reads:

"I hereby sell, assign and transfer unto C.B. Beckwith and A.B. Spear, for a valuable consideration and a full settlement of all their claims against me, a certain promissory note dated Jan 7th 1904, signed by Andrew Carnegie, for Two hundred and fifty thousand dollars (\$250,000) due one year after date with interest at 5% per annum.

And I hereby certify that I am the lawful owner of the said note, that it is free from all offsets, and I leave the right to bargain and sell the same, and this is my free will and act. Signed, C.L. Chadwick."

Cassie then went back to Beckwith and amazingly convinced him to advance her the \$300,000 to cover the check she had written on his bank to the Lincoln National Bank. She furnished him with two of Andrew Carnegie's supposed promissory notes (totaling \$300,000) to secure the loan. Shortly after this, Beckwith convinced Arthur Spear, the cashier of the bank, to join him in loaning Cassie \$102,000; Beckwith had also helped her to borrow over \$1 million from various banks and individuals, based upon the supposed securities on deposit at the Wade Park Bank. Thoughtfully, Cassie furnished Beckwith with a copy of her will; in it she listed and described all of her securities, gave him her power of attorney, and made him the executor of her estate.

THE END OF CASSIE CHADWICK

Back in Boston, Herbert D. Newton had not received any payments from Cassie. He and his lawyers attempted to negotiate some payments from her on her note, but she kept putting them

off. Finally, on November 22, 1904, Newton brought suit against her in the Federal Court in Cleveland, for the outstanding amount of the loan, \$190,800. He also requested that the court restrain the Wade Park Bank from disposing of the \$7.5 million being held there in trust.

When word of the suit reached Oberlin, Beckwith explained to his bank's questioning directors that the bank was in no danger, since the bank held a note of \$500,000 from one of the wealthiest men in the world. But he refused to divulge Carnegie's name, to protect Cassie's "honor." Newton wasn't so discreet—he also held a \$500,000 note signed by Carnegie, and he revealed this to the court and the press.

Several financial institutions rushed to join the suit by Newton against Cassie, among them The American Exchange National Bank of Cleveland, the Savings Deposit Bank of Elyria, Ohio, and the Euclid Avenue Savings and Trust Company of Cleveland. When Andrew Carnegie was asked by the press about his "illegitimate daughter" he replied that he had never heard of the woman in question.

The judge hearing Newton's suit ordered Iri Reynolds at the Wade Park Bank to produce the securities he was holding for Cassie Chadwick, and when they were examined and determined to be worthless, an arrest warrant was issued for Cassie. She was found in New York and brought back to Cleveland for trial.

The trial began on March 6, 1905 and lasted six days. During the trial Andrew Carnegie was an interested spectator. A reporter asked him if he had any plans to prosecute Cassie herself, but Carnegie demurred, saying that she had ironically proven that his credit on his name alone was A-1. Handwriting experts supported Carnegie's earlier statement that the signatures on the documents were not his. The jury found her guilty and she was sentenced to a term of ten years in the Ohio State Penitentiary.

Cassie was a celebrity even in jail, and she granted many interviews to the curious press. At one point the warden was charging twenty-five cents to admit her visitors, until this fact appeared in print; the result was that all of her visitors except a son were barred. She became obsessed with her funeral, planning it in great detail. When she died in prison on October 10, 1907 all of the arrangements had been made; a tombstone was already waiting for her at the cemetery in Woodstock that she had selected for her burial. She had even written her own eulogy, which was read at the service held on October 14, 1907.

FATE OF THE CITIZENS NATIONAL BANK OF OBERLIN, OHIO

Early in Beckwith's dealings with Cassie the Citizens National Bank of Oberlin had been examined. He had concealed her original loan of \$13,000 from the examiner by negotiating a temporary loan to himself, which he repaid immediately after the examination.

The next scheduled examination of the bank took place in April 1904. At that time the outstanding loan of Cassie Chadwick was \$220,000, over \$200,000 beyond the legal limit of the bank. Beckwith apparently convinced the examiner that the loan was adequately secured, by showing him the forged Carnegie promissory note. The examiner reported the loan in his report, but indicated that he did not feel the bank was in danger of sustaining a loss; he reported that the loan had been made to a "C.A. Chadwick," but did not indicate that this was a woman. Further, he did not indicate that the security for the loan was a note from Andrew Carnegie. Kane states, "Had this examiner advised the Comptroller of the Currency that the recipient of this large loan was a woman and that the security consisted of a note of Andrew Carnegie, the Comptroller would have made an inquiry in regard to this woman and why Andrew Carnegie had executed his note to her for such a large sum of money, as Mr. Carnegie was not in the habit of having his notes in national banks."

On November 28, 1904, six days after Newton's suit against Cassie Chadwick was filed, the Citizens National Bank of Oberlin suspended operations and was placed in the hands of a receiver. So complete was the faith of President Beckwith in Cassie that for several days after the bank suspended operations he still believed that she would come forward and meet her obligations. When Beckwith was asked why he had never questioned the forged documents, he stated that he thought the Carnegie signatures were genuine, because he had seen Carnegie's signature in the newspaper! Arthur B. Spear, the cashier of the bank, was indicted, tried and convicted of making false entries in the books of the bank, for the purpose of hiding the excessive loans from the bank examiners and the Comptroller; he had certified that Cassie had a certain deposit in the bank when she did not. In his trial, his defense was that he had made these entries at the direction of President Beckwith, and that he had not personally profited from any of the transactions (he had even

(Continued on page 195)



A satirical note produced by W.J. Wells in 1905. Cassie's trial in 1905 drew enormous attention from the press, and Mr. Wells apparently felt it was a timely item. The bank in the left oval is "Busted."

Treasury Serial Numbers by Year for the Early Large-Size National Bank Notes



THE PAPER COLUMN by Peter Huntoon

The tables that accompany this article provide the first serial numbers delivered to the Comptroller of the Currency each year for the various sheet combinations then in use. These data were abstracted from Comptroller of the Currency (various dates).

Huntoon (1985a,b) and Huntoon and Raymond (1985) presented tables showing dates during which various treasury serial block letters were in use. These data were useful in pinning down delivery dates to the Comptroller of the Currency (and therefore printing dates) for the popular plate combinations. However, for the little used combinations, such as the 50-100, one treasury block letter spanned most if not all of the period of use within a particular series. Thus, the beginning and ending dates were of little value because they spanned many years. This article is designed to rectify that problem. For example, if your note from an Original Series 10-10-20-20 plate has treasury serial 3500, you can use Table 1 to determine that it was printed in 1866. A dash in the table indicates that no notes were printed from the combination during that year.

There were occasional out-of-sequence deliveries from the Bureau of Engraving and Printing to the Comptroller of the Currency during the late Series of 1882 brown back and Series of

1902 red seal printings. These odd deliveries involved a total of only a few thousand sheets. The cutoff serials used in Tables 5 and 6 are the first serials for the "regular" deliveries and are therefore somewhat arbitrary.

A few cautions are in order. (1) All serial numbers listed in these tables are sheet numbers, therefore each note on the sheet had the same number. (2) All Original Series serial numbers listed in these tables were printed in red ink unless specifically labeled "blue." (3) The second set of Original Series treasury serial numbers for the 1-1-1-2, 5-5-5-5 and 10-10-10-20 combinations were printed with blue ink and without treasury letters. They are appropriately labeled in the tables if they were in use at the beginning of a specific year. (4) Treasury serial letters were prefixed to all Original Series serial numbers in 1869 if such letters were not then in use except for the 50-100, 500-500-500-500 and 1000-1000-1000-1000 combinations. Serial numbering was consecutive in the changeovers between the unlettered and lettered varieties. (5) Some treasury block letters used to number notes in a few combinations did not progress in alphabetical order. (6) The Original Series 20, 20-50, 50 and 50-50-100 combinations listed on Table 2 were denominations printed from larger plates. These part-plate combinations were each given independent blue treasury serial number sets. For more details on each of these points, see Huntoon (1985a,b).

Out-of-sequence treasury serial letters occurred as follows: 5-5-5-5 Series of 1875, Y followed Z beginning in 1893; 5-5-5-5 Series of 1882 brown backs, T then M followed Z in 1898; and 10-10-10-10 Original Series, W followed Z in 1875.

In addition to adding prefix letters, other measures were taken to secure the treasury serial numbers in May, 1896. Most im-

Table 1. First treasury serial numbers delivered to the Comptroller of the Currency by year for the Original Series National Bank Notes, part 1.

Year	1-1-1-2	1-1-2-2	5-5-5-5	10-10-10-10	10-10-10-20	10-10-20-20	10-10-20-50	10-20-50-100	10-50-100-100	20-20-20-20	20-20-20-50	20-20-20-100	20-20-20-100
1863	-	-	9	9	-	-	-	-	-	-	-	-	-
4	-	-	8016	5023	22	-	29	71	99 blue	57	50	43	36
5	9	-	874133 blue	384580	500472	15	9835	1071	-	10877	24524	2914	11641
6	490467 blue	A141 blue	D356514	564984	668142 blue	1022	13949	-	-	19098	61161	3789	22532
7	B167591	-	D942828	612107	959717 blue	-	17293	-	-	20562	-	-	23841
8	B304076	-	E66435	617200	A10124	-	17893	1371	-	-	71096	-	24683
9	B498137	-	E177194	621557	A41856	-	18193	-	-	21187	71226	4094	25183
1870	B764893	A10512 blue	E338865	Z629824	A92820	-	T18693	R1521	-	X23694	V72626	-	W26880
1	C181394	A10862 blue	E752620	Z660086	A241262	Y3529	T20710	R1621	-	X25869	V79366	U4194	W29590
2	C858660	-	H776887	Z747673	A664071	-	T25831	R1821	-	X30146	V89667	U4469	W33120
3	D375793	A15332 blue	K711947	Z818338	B47509	Y4629	T28916	-	-	X36332	V96199	U4669	W36412
4	D737424	-	L523555	Z876553	B302473	Y4929	-	-	-	X37664	V110510	U5589	W41392
5	E159954	A17598 blue	P82494	Z961039	B765498	-	T33130	R2220	A349 blue	X54210	V141642	U6539	W49659

Table 2. First treasury serial numbers delivered to the Comptroller of the Currency by year for the Original Series National Bank Notes, part 2.

Year	50-50	50-100	50-50-100	100-100	500	500-1000	1000	4x500	3x500+	4x1000	20	20-50	50	50-50-100
1864	-	64	78	85	92	113	106	-	-	-	-	-	-	-
5	120 blue	45132	3483	1395	1869	541	370	120	-	127	-	-	-	-
6	527 blue	193051	7578	4669	9710	2123	804	-	134	-	-	-	-	-
7	-	235214	9970	5933	10661	-	932	-	-	-	-	-	-	-
8	2212 blue	240045	10070	6008	10774	2236	-	-	-	-	-	-	-	-
9	-	243145	10342	6168	10904	-	-	-	-	-	-	-	-	-
1870	B2275 blue	250366	P10872	N6523	M11101	K2258	-	-	-	-	-	-	-	-
1	B2889 blue	261708	P11548	N7634	M11324	K2308	L952	-	-	-	-	-	-	-
2	B6403 blue	303544	P15730	N9936	M12411	K2480	L1052	-	-	-	-	-	-	-
3	B6903 blue	345025	P16502	N10649	M14172	K2495	L1152	-	-	-	-	-	-	-
4	B7203 blue	387838	P20290	N12423	M14662	K2712	L1252	-	-	-	-	-	-	-
5	B9510 blue	491674	P24058	N14458	M16602	K2722	-	645	-	652	X22 blue X2786 blue X34004 blue	K85 blue	A22 blue A922 blue	A71 blue

Table 3. First treasury serial numbers delivered to the Comptroller of the Currency by year for the Series of 1875 National Bank Notes, part 1.

Year	1-1-1-2	1-1-2-2	5-5-5-5	10-10-10-10	10-10-10-20	10-10-20-20	10-10-20-50	10-20-50-100	10-50-50-100	20-20-20-20	20-20-20-50	20-20-20-100	20-20-50-100	50-50
1875	A1	-	A1	A1	A1	A1	A1	-	-	A1	A1	-	A1	A1
6	A17357	-	A543356	A45726	A277067	A201	A201	A1	-	A551	A5056	-	A301	A201
7	A479085	A1	B972146	A208276	B90069	-	A4498	A101	A1	A12101	A28600	A1	A7551	A4151
8	B233805	-	E211376	A343391	B608127	-	A11021	-	-	A20776	A45984	-	A13742	A6651
9	-	-	H213996	A425763	D90973	A701	A12661	-	-	A24375	A53811	-	A16495	A7951
1880	-	-	K129791	A522641	D467719	-	-	A801	-	A33550	A69930	-	A17800	-
1	-	-	K982706	A600191	D785503	-	A17416	-	-	A37300	A76643	-	A18200	A8201
2	-	-	U327976	A751925	E440661	-	A20716	A1051	-	A50837	A92337	-	A23258	A11051
3	-	-	V409360	A808345	H63529	A1201	A22356	-	-	A56612	A100525	-	A28766	A14451
4	-	-	X167705	A857295	H521526	A1534	A22756	-	A143	A61757	A111852	-	A28866	A17702
5	-	-	X852017	A893108	H963325	-	A23156	-	-	A66152	A119367	-	A29816	A19452
6	-	-	Z108767	A904508	K85775	-	A23711	-	-	A67147	A122312	-	-	-
7	-	-	Z267867	A909008	K143795	-	-	-	-	A67272	A122994	-	-	A20402
8	-	-	Z359409	A911397	K176098	-	-	-	-	A67482	A123264	-	A29876	A20602
9	-	-	Z477459	A913587	K225088	-	A23761	-	-	A67208	A123374	-	-	-
1890	-	-	Z583409	A917432	K265750	-	A23811	-	-	A68621	A123919	-	-	-
1	-	-	Z697589	A922192	K316320	-	A23866	-	-	A68861	A125064	-	-	A21002
2	-	-	Z811269	A927242	K340381	-	-	-	-	A69176	A125364	-	A29926	A21082
3	-	-	Z929319	A933042	K460836	-	-	-	-	A69651	A125514	-	-	A21202
4	-	-	Y85169	A942967	K547479	-	-	-	-	A71416	A126014	-	-	A22572
5	-	-	Y214704	A949667	K614436	-	-	-	-	A71441	-	-	-	A22812
6	-	-	Y289567	A954642	K656919	-	-	-	-	-	A126124	-	-	-
7	-	-	Y350819	A959822	K740209	-	-	-	-	-	A126540	-	-	-
8	-	-	Y438344	A963897	K789990	-	-	-	-	-	A126990	-	-	A23222
9	-	-	Y524879	A972222	K851709	-	-	-	-	-	-	-	-	-
1900	-	-	Y557679	A974747	K878799	-	-	-	-	-	A127170	-	-	-
1	-	-	Y581039	A978902	K986099	-	-	-	-	-	-	-	-	-
2	-	-	Y587039	A980927	N10189	-	-	-	-	-	-	-	A30066	-

Table 4. First treasury serial numbers delivered to the Comptroller of the Currency by year for the Series of 1875 National Bank Notes, part 2.

Year	50-100	50-50-50-100	100-100	500	500-1000	4x500	4x1000
1875	A1	A1	A1	A1	-	-	-
6	A20497	A1001	A51	A151	A1	-	-
7	A71422	A6701	A841	A1051	A41	-	A1
8	A116486	A8417	A1941	A2511	-	-	-
9	A146062	A11277	A2041	A2971	A661	-	-
1880	A176398	A12847	A2531	A3071	A771	-	-
1	A196971	A13447	A2631	A3141	A781	-	-
2	A279406	A19847	A6102	A3891	A1788	A1	-
3	A332807	A22803	A9227	A3931	A1818	-	-
4	A374589	A25683	A9977	A4041	A1843	-	-
5	A410453	-	-	-	-	-	-
6	A417854	-	A10652	-	-	-	-
7	A420146	-	-	-	-	-	-
8	A421695	-	A10752	-	-	-	-
9	A424807	-	A10787	-	-	-	-
1890	A427583	-	A10812	-	-	-	-
1	A431891	-	A10837	-	-	-	-
2	A435658	-	-	-	-	-	-
3	A440504	-	-	-	-	-	-
4	A447186	-	-	-	-	-	-
5	A448659	-	-	-	-	-	-
6	A449975	-	-	-	-	-	-
7	A453795	-	-	-	-	-	-
8	A455878	-	-	-	-	-	-
9	A458909	-	-	-	-	-	-
1900	A459169	-	-	-	-	-	-
1	A462419	-	-	-	-	-	-
2	-	-	-	-	-	-	-

Table 5. First treasury serial numbers delivered from the Bureau of Engraving and Printing to the Comptroller of the Currency by year for the Series of 1882 Brown Back National Bank Notes.

Year	5-5-5-5	10-10-10-10	10-10-10-20	50-100
1882	A1	-	A1	A1
3	A233904	-	A209919	A20359
4	A600492	-	A588264	A55061
5	B123607	-	B327	A105647
6	D443488	-	B945744	A207441
7	E122475	-	D140270	A235707
8	E627230	-	D497712	A258455
9	H285155	-	D856198	A301294
1890	H787443	-	E99294	A319861
1	K319812	-	E395461	A348532
2	N78448	-	E825478	A393623
3	N851764	-	H362435	A437569
4	U311904	-	K327992	A513903
5	V546634	-	K961860	A561500
6	W638839	-	N489203	A613638
7	Y120744	-	R323434	A679923
8	Z717136	-	R988147	A733737
9	M429936	-	U40946	A850973
1900	A839536A	-	U724416	A900821
1	D100111D	-	X913986	B94503
2	D873829D	-	Z642907	B186068
3	E987839E	-	B888597B	B279487
4	K70781K	-	E899794E	B373746
5	N453581N	-	N37345N	B471274
6	R381314R	A1	R717547R	B541467
7	T612929T	A77401	T811863T	B578393
8	U803309U	A219201	U884838U	B615041
9	-	A273226	-	-

Table 6. First treasury serial numbers delivered from the Bureau of Engraving and Printing to the Comptroller of the Currency by year for the Series of 1902 Red Seal National Bank Notes.

Year	5-5-5-5	10-10-10-10	10-10-10-20	50-100
1902	A1	-	A1	A1
3	A161017	-	A428902	A14143
4	A592834	-	B437670	A60722
5	B115136	-	D761166	A105056
6	D923406	A1	K921325	A226281
7	K501349	A242054	T270483	A310964
8	N474961	A758997	V689772	A389531



A significant \$50 Original Series note printed from the unusual 20-20-20-50 plate combination. Table 1 reveals that its treasury serial number, V171566, was printed in 1875. The First National Bank of Geneva, Ohio, was a 19-year bank organized under the Act of February 25, 1863. It was forced to liquidate on June 1, 1882, so was reorganized on May 2, 1882, under the same title but new charter number 2719. The original charter number, 153, was reassigned to the bank on April 11, 1917. It turns out that this was both the highest charter number so reassigned, and the last to regain a lost charter number from the 1882 reorganizations. (Photo courtesy of Doug Walcutt)

portant was that brackets were introduced as terminators at the ends of numbers with prefix letters and at both ends in the unlettered 50-100, 500-500-500-500 and 1000-1000-1000-1000 combinations. More subtle but equally important was that gaps between treasury letters and the serial numbers were closed. In the early issues using prefix letters, low numbers came with gaps between the treasury letter and the beginning of the number. These spaces were closed by moving the letter against the number.

Table 7 lists transcribing errors that appear in Huntton (1985a,b). The most interesting correction shows that 10-10-10-10 combination Series of 1882 brown backs were being

printed as late as one year after the other brown backs combinations ceased. Regular production from the 10-10-10-10 plates stopped on September 4, 1908. However, one lone 1909 printing was made for The First National Bank of Flatonia, Texas, charter 4179, utilizing bank serial numbers 1376 through 1625, and treasury serial numbers A273226 through A273475. These sheets were delivered on March 22, 1909. The reason for the post-March, 1908, 10-10-10-10 brown back printings is unknown. However, Series of 1902 red seals were printed simultaneously with Series of 1902 dates backs between June and December of 1908 as well.

Table 7. Corrections to errors in "National Bank Notes with Treasury Serial 1 and 1000000, parts I & II."

Part I, Paper Money, whole number 118:

Table 4 5-5-5-5 Original Series Jul 28, 1863 should be Jul 28, 1864 (page 170)

Table 4 5-5-5-5 Original Series Jul 29, 1863 should be Jul 29, 1864 (page 170)

Table 4 5-5-5-5 Series of 1882 Brown Backs Mar 22, 1908 should be Mar 23, 1908 (page 171)

Table 4 10-10-10-10 Series of 1882 Brown Backs Mar 22, 1908 should be Mar 22, 1909 (page 173)

Part II, Paper Money, whole number 119:

Table 1 50-50 519 blue should be 120 blue (page 217)

Table 2 5-5-5-5 Mar 22, 1908 should be Mar 23, 1908 (page 218)

Table 2 10-10-10-10 Mar 22, 1908 should be Mar 22, 1909 (page 218)

Table 5 50-50 Original Series Dec 28, 1865 519 blue should be 120 blue (page 223)

(Continued on page 190)

The NATIONAL BANKING SYSTEM

Serving Commerce and Industry at the
Expense of Agriculture

by WILLIAM LITT



Stars and Stripes, on this First Charter "Lazy Two," was engraved by Louis Delnoce.

THE National Banking System was originally conceived as a response to the financial burdens placed upon the United States by the Civil War. The primary purposes of the System were to raise revenues for the Union by establishing an outlet for the sale of government bonds, and to create a uniform paper currency that appeared trustworthy enough to circulate at its face value. Although the National Banking System was fairly successful in achieving its initial goals, it grew to be something far more significant than a temporary currency reform occasioned by the war.

Despite the many ramifications of the National Bank Acts passed in 1863 and 1864, there appears to have been little concern in Congress about the long-term impact of the National Banking System. Most legislators viewed it as a temporary measure necessitated by the war and as such, a necessary evil. Opponents of national banking mainly consisted of defenders of state bank circulation, and although many Congressmen questioned the bill's prospective effectiveness in financing the war, they were willing to try almost anything to generate the enormous amount of money required to support the Union army. Margaret G. Myers, in one of the earliest non-contemporary explorations of the interaction between national banks and the New York capital market, contends that:

...nearly all were blinded by the war to the importance of the act as a permanent peace institution. They voted for it, not because they felt any enthusiasm for it, but because the President and the Secretary of the Treasury had declared it to be necessary—the same reason which had influenced the vote for the bill making the greenbacks legal tender. It

seems exceedingly doubtful if the act could have passed Congress without the war emergency to serve as an excuse, for that body was neither anxious to legislate on banking nor conscious of the full significance of their action when they did legislate.¹

Later implications aside, the National Bank Acts of 1863 and 1864 established a system of nationally chartered banks that were required to purchase United States bonds as part of their incorporation agreements. These charters were to be obtained through the newly created office of the Comptroller of the Currency, and included minimum capital requirements that ranged from \$200,000 in cities with populations of 50,000 or more to \$50,000 in towns of 6,000 or less. Each nationally chartered bank had to deposit with the Comptroller, United States bonds equal to one third of its capital, and not less than \$30,000. In addition to receiving the interest from the bonds, each bank was entitled to issue national bank notes totaling up to 90 percent of the par or market value, whichever was lower, of the bonds on deposit. The Gold Standard Act of 1900 lowered capital requirements for small-town banks and permitted the issuance of bank notes up to 100 percent of the value of the deposited bonds. Initially, circulation of national bank notes was limited to a total value of \$300,000,000 for the entire country, although this limit was raised by \$54,000,000 in 1870 in response to complaints that banks outside of the Northeast had received a disproportionately small share of the total circulation.² The Resumption Act of 1875 eliminated all restrictions on the amount of national bank note circulation.

Although the concept of a bond-backed, uniform currency was a vital innovation of the National Banking System, the most

significant aspects of the System in terms of economic development were its reserve requirements, its restrictions on real estate-backed loans, and its lack of provisions for branch banking. Because of a limited understanding of economics and the primitive structure of the nation's capital markets at the inception of the National Banking System, it appears that these regulations were intended simply to ensure the soundness of national banks, rather than to actively promote economic growth. Nevertheless, the structure of these regulations almost certainly aided the unprecedented growth which the United States enjoyed during the heyday of the National Banking System.

Reserve requirements were at the core of the National Banking System's contribution to the growth of the New York money market, which was the source of most of the capital employed in the development of "modern" industry and the railroads. The National Currency Act of 1864 formalized the rather haphazard antebellum system of banker's balances by creating three classes of national banks and ascribing certain reserve requirements to each type.³ New York was designated as the nation's central reserve city, joined in this category by St. Louis and Chicago in 1887.⁴ Eighteen cities were designated as reserve cities, with this number increasing to 47 during the next fifty years. National banks in the three central reserve cities were required to maintain cash reserves equal to 25 percent of their deposits. Reserve city national banks could hold the reserves of other national banks, as could central reserve city banks, and were also required to maintain 25 percent reserves. However, only half of these reserves had to be held in lawful money; the other half could be in the form of deposits in New York, and later Chicago and St. Louis, national banks. Non-reserve and central reserve city national banks were required to sustain 15 percent reserves, of which three-fifths (i.e. 9 percent) was permitted to be held as deposits in reserve city and central reserve city banks. This reserve system was responsible for the accumulation of funds in the nation's capital markets, most notably New York, and since it allowed several banks to view the same assets as their required reserves, it actually created a money pyramid which, as will be seen later, accentuated the panics that occurred during the existence of the system.

The provisions limiting the loan portfolios of national banks were almost certainly intended to promote the security of the individual banks by ensuring the greatest possible liquidity of their assets. The national banks in New York, Chicago, and St. Louis, the central reserve cities, were forbidden from making loans on real estate. Other national banks were permitted to grant loans of less than five years' maturity as long as each loan amounted to less than half of the appraised value of the land being used as collateral. In addition, banks were not permitted to have total real estate loans that exceeded 25 percent of their capital. As a result, real estate loans accounted for a very small portion of national bank assets, and national banks were effectively prevented from granting mortgages. This preemption of mortgage activity from national banks, in addition to raising the ire of farmers, was partially responsible for the resurgence of state-chartered banks after their rapid decline following the 1865, 10 percent tax on state bank notes.⁵ Another very significant result of the preemption of granting mortgages from national banks was that they were left with a larger amount of money to invest outside of the immediate communities which they served. Most of this money found its way to national banks in New York, where it was held as additional bankers' balances beyond required reserves. Not only did reserves and other bankers' balances earn interest from the New York banks, but this money was normally invested in the call loan market by the big

Wall Street banks for their client national banks throughout the country.⁶

Another important aspect of the system was that it made no official provision for branch banks. Although the original Acts of 1863 and 1864 did not directly address the question, subsequent interpretations by Comptrollers and Treasury Secretaries during the first few years of the National Banking System made it quite clear that branches outside of a bank's home city would not be tolerated.⁷ The restrictions on branch banking were gradually relaxed in the system's later years, but it was not until the late 1920s that national banks were permitted to branch extensively within their home states, and truly nationwide branching was unlawful until very recently. These restrictions on branch banking encouraged national banks to keep bankers' balances in excess of required reserves with their correspondent banks in the reserve and central reserve cities in order to benefit from services, such as check clearing, which these banks offered.

There is little doubt that the National Banking System aided economic development during the entire period from its creation until at least the establishment of the Federal Reserve System and the outbreak of the First World War. The manner in which reserves were held tended to "pyramid" funds in New York City, where they were almost invariably invested in the call loan market and the stock market. Furthermore, the preemption of mortgages from national banks encouraged them to invest their assets in non-real estate loans, usually various commercial enterprises. For rural national banks which had few opportunities to make business loans locally, this meant depositing funds with other, mainly national, banks in larger cities. These funds, as stated, drew interest and were loaned out by the big-city banks to various industries, large and small, as well as railroads and similar concerns. The provisions of the National Banking Acts, which were construed as barring banks from operating branches, also had a substantial impact on economic growth, tending to reinforce the pyramiding of reserves and the creation of bankers' balances in excess of required reserves.

While the National Banking System was a boon to commercial and industrial growth, it was less kind to rural America. The system, although in many respects a distinct improvement over antebellum banking, had a number of flaws. These flaws tended to hit harder amongst the agrarian population than elsewhere, a fact that did not go unnoticed by farmers and other critics of national banking.

Problems and Deficiencies of National Banking

If the Government had offered a reward for the most skillfully constructed scheme by which productive industry could be placed permanently and securely under tribute to speculators and idlers, the authors of the National banking system would have been entitled, without question, to a reward and to a diploma for their ingenuity.⁸

—James B. Weaver, *Call to Action*

Weaver, the People's Party candidate for President in 1892, devoted a chapter to the weaknesses and abuses of the National Banking System in his widely read treatise *A Call to Action*. The famous subtreasury plan, which was a cornerstone of the Populist platform was, in part, designed to combat certain aspects of national banking, which were particularly odious to farmers. Despite the fact that it provided a uniform, trustworthy paper currency for the first time in the nation's history, the National Banking System was under fire from the moment of its creation. During Congressional debates, opposition came from states'

rights advocates who were opposed to the dual banking system that the National Bank Act would usher in. As previously mentioned, it is unlikely that the act would have passed were it not viewed as a wartime necessity. If the vehemently anti-Federalist Southern legislators had taken part in the vote, it is virtually certain that the System would never have been adopted. Despite improvements in the security of banknotes and in banking efficiency, the National Banking System legitimized certain components of antebellum banking that proved unsuitable to the stability of the United States' economy, and introduced a few new wrinkles which worked to the detriment of the rural population.

Several recent studies of national banking have recognized that the practice of small-town bankers maintaining substantial balances with big-city banks existed long before the Civil War. In the days before checking accounts, these balances were used by city banks to redeem the banknotes of hinterland banks. They also assisted in the seasonal exchange of cash for crops and offered an unofficial but relatively secure depository for the assets of rural banks. When checks became commonplace, bankers' balances greatly facilitated check-clearing. The National Bank Acts merely gave the federal government's imprimatur to a well-established system. There were, however, a number of new twists that accentuated the institution's flaws.

The system of fractional reserves strongly encouraged non-reserve city national banks to maintain substantial bankers' balances with reserve city banks, since these reserves usually earned interest for the banks and were thus far more appealing than holding reserves in the form of vault cash. Since banks in New York and most other large cities paid interest on bankers' balances, many banks deposited funds far in excess of the required reserves.⁹ The fact that interest was paid on bankers' balances, coupled with the interdiction on mortgages imposed on national banks, tended to syphon funds from agriculture and into the call loan market and the stock market of New York. Modern debate has turned on the question of whether national banks operated as price discriminating monopolists in rural areas. Although that question will be examined later, it is more important to note that farmers were either able to obtain credit only at usurious rates of interest, or were unable to obtain it at all.

While noting that data are not comprehensive, Helen Hill Updike states that farmers typically paid 10 to 18 percent for loans, and sometimes as high as 30 percent. These rates fly in the face of state usury laws that set legal limits on interest at 6, 8, or at most 12 percent, and the federal limitation of 7 percent on all loans. In contrast, Updike cites typical loan rates for businesses on the New York money market as being about 4 percent.¹⁰ John Skelton Williams, then Comptroller of the Currency, carried out a 1914 study of interest rates and concluded that:

...some national banks in every part of the country and nearly all national banks in certain sections, have been charging rates of interest on some of their loans which are not only illegal and usurious, but are intolerable.¹¹

The self-reliant American farmers sensed that they had fallen victim to the "thralldom of the money power,"¹² and were quick to place the blame at the feet of the National Banking System and a nebulous monopoly of Eastern bankers led by the House of Morgan. Updike cites Populist journals that attribute the credit situation to the "millionaire bankers" representing Eastern interests who are "immense, secret, cunning, unscrupulous" and creators of a system of "financial tyranny."¹³ She also quotes Populist agitator Mary Elizabeth Lease, who stated: "We wiped out slavery and by our tariff laws and national banks began a system of white wage slavery worse than the first."¹⁴

In addition to the usurious interest rates which national banks were able to exact from farmers, the National Banking System drew fire from agrarian activists for a number of other reasons. Foremost among these was the contention that national bank notes provided an inelastic currency that was unsuited to the seasonal demands of agriculture and compounded the deflationary tendencies of the gold standard. During the early years of the system, the problem was primarily one of physical availability of banknotes. Since branch banking was not permitted, the original requirement of at least \$50,000 capitalization served to deprive many small towns of a national bank. Initially, state-chartered banks often filled the gap. However, the increasingly heavy federal taxes placed on state bank notes eventually drove many state banks to convert to national charters. The National Bank Acts called for a maximum national bank note circulation of \$300,000,000, to be apportioned according to population and existing banking facilities. Despite this provision, when the rush for national charters occurred in the aftermath of the final 10 percent tax on state bank notes, existing state banks that converted were assigned note circulation on a first-come, first-served basis. Richard Sylla has calculated that by October 1, 1866—when most state banks had converted to national status and \$280 million of the authorized \$300 million had been issued—notes issued to banks in the New England, Middle Atlantic, and "East North Central" regions of the United States accounted for \$262 million of the total.¹⁵ Sylla asserts that the South and "West North Central" regions, which at the time harbored almost 40 percent of the country's population, were allotted only about \$10 million of the national bank note circulation.¹⁶ The state of Connecticut had more national bank note circulation than Michigan, Iowa, Minnesota, Kansas, Missouri, Kentucky, and Tennessee combined. The per capita circulation of Rhode Island was \$77.16, while that of Arkansas was \$.13.¹⁷

Although an additional \$54,000,000 was authorized in 1870, with preference given to banks in areas that had not received a fair portion of the original authorization, and all restrictions on total circulation were removed in 1875, the shortage of national bank notes only grew worse. The reason for this decrease in circulation was simple: in 1880, the United States began to run a budget surplus due to unexpected increases in customs revenue; in response, the Treasury started to reduce the national debt by retiring all callable bonds and purchasing others in the open market. This led to large premiums on bonds, which substantially reduced the profitability of issuing bond-backed notes. The total amount outstanding declined from about \$300 million in 1880 to \$126 million by the decade's end. Although circulation increased again in the 1890s, when bond prices fell, it did not regain its earlier peak.¹⁸ Although the decline in national bank note circulation was offset, in part, by increases in the amount of other types of paper money—especially silver certificates—in circulation, rural activists viewed the process as a rather sinister phenomenon. It did not seem fair to them that the amount of currency in circulation should depend upon the profitability of holding bonds to back the paper money issued. In essence, the amount of paper money issued depended upon how much profit could be made by private bankers by issuing it. In the words of James B. Weaver:

The fundamental vice which underlies the National banking system is this: It is the surrender of one of the highest duties and powers of the Government to the control of private speculators to be used for personal gain. It is an attempt to harmonize the interests of private adventure with the demands of the whole people at all times for a stable and adequate money supply.¹⁹

Another contemporary critic saw the laws establishing national banks as being "... of the same character of vicious legislation that demonetized silver." And that they were "... conceived in infamy and ... for no other purpose but to rob the many for the benefit of the few."²⁰

High interest rates and depressed prices resulting from a limited amount of currency in circulation were aspects of the National Banking System which hit farmers especially hard. However, the inelasticity of national bank notes, coupled with the "pyramiding" of reserves and bankers' balances in New York, had dramatic repercussions for the entire country.

In addition to long-term inelasticity caused by its dependence on the bond market and government fiscal policy rather than the needs of the business community, national bank currency was equally unresponsive to short-term business requirements. During periods of prosperity, when an increase in the money supply was desired, national banks had more attractive options than purchasing government bonds, so their note circulation declined. In times of recession, the process was reversed and circulation increased despite a decrease in the demand for money. Just as the needs of the business community had little effect on national bank note circulation, so too was the System inadequate to provide the extra funds needed by farmers for planting in the spring and for harvesting and transporting crops in the fall.

This inelasticity was compounded by the fractional reserve system. The system of "pyramided" reserves in New York tended to immobilize a substantial portion of small-town national bank reserves, with the effect that the seasonal demands for funds by farm communities led to a massive withdrawal of funds from New York by rural banks twice per year. During these periods of reserve withdrawal, credit in the New York money market tightened and interest rates rose, leading to mild crises twice each year. Usually, the financial community was able to pull through until the heightened agricultural activity spent itself, but occasionally the demand for funds was larger than anticipated or the banks had difficulty with liquidating their loans. Under these circumstances, the typical response of New York banks was to suspend payment of their obligations to their correspondent banks in the countryside. Thus localized financial stringencies snowballed into nationwide panics in 1873, 1884, 1893 and 1907. Herman E. Krooss and Martin R. Blyn, in *A History of Financial Intermediaries*, offer a synopsis of the role of national banks and bankers' balances in the Panic of 1873:

Another similar seasonal difficulty developed in the spring of 1873, but this time liquidation of loans and securities was difficult because of weaknesses in railroad securities. Three brokerage houses suspended operation in May, but by June the situation was so much improved that businessmen decided that a new spurt of prosperity was about to begin. Unfortunately, this optimistic view was ill-founded. Railroads could not continue to meet their fixed charges, capital imports declined from their high level, and the stock market began to fall. Banks began to contract credit, country banks clamored for funds, and hoarding by individuals increased. In September seven New York banks, holding 72 percent of total interbank deposits, could not liquidate their loans fast enough to meet the increasing demand for funds, and in a short time they were operating with a reserve deficiency. Businessmen and banks had nowhere to turn, and with progressively accelerated speed, the New York money market headed for inevitable disaster.²¹

A particularly ironic aspect of the system of fractional reserves

was that it frequently allowed the city banks to impose the inelasticity of the money supply on their correspondent country banks. When the cyclical agricultural demand for cash coincided with urban financial stringencies, and city national banks suspended payment of bankers' balances to the hinterland, it forced the country banks to bear the brunt of financial crises; the irony was that the city banks remained relatively secure at these times because of the "cushion" of specie in their vaults, much of which actually consisted of deposits owed to country national banks. Helen Hill Updike cites this component of financial panics as a probable explanation for the difference in failure rates between country and city banks and the fact that city banks failed more or less randomly, while large numbers of country banks failed during panics.²²

The crux of the problem was the fact that fractional reserves and bankers' balances created de facto central banking in New York City. Ordinarily, this might not have been detrimental to the economy as a whole. The difficulty arose, as demonstrated previously, in times of financial stringency coupled with a heavier-than-usual demand for money. When demand for funds increased, banks were unable to meet it because no provision had been made to hold emergency reserves. Since the 25 percent reserve requirement was a minimum, below which reserve city national banks were legally unable to go, it acted to preserve the soundness of the individual bank at the expense of the economy in general. Even if national banks were willing and able to issue more currency, the process normally took one to two months. The series of panics that occurred approximately once each decade during the period from 1863 to 1914 can be attributed to the lack of an official central bank and lender of last resort as much as they can be to inelastic currency supplies. New York, and to a lesser extent Chicago, national banks were forced to operate as lenders of last resort in times of financial difficulty, but they lacked the ability to control the money supply and stabilize the money market and, of course, were interested first and foremost in making money themselves rather than operating simply for the good of the United States.

Central reserve city national banks were aware of their position as de facto central bankers. Frequently they attempted to expand their loans in times of credit stringency,²³ although at higher interest rates, but this was usually too little too late. Another method of mitigating financial crises was through clearinghouse certificates. Clearinghouses had developed during the 1850s and 1860s in most large cities to facilitate check clearing and money transfers between banks in the same city. During the Panic of 1907, clearinghouse certificates were issued in small denominations for use by the general public, thus giving some flexibility to the currency. The Aldrich-Vreeland Act of 1908 was passed in response to the 1907 crisis, and one of its most important provisions was the establishment of a system for creating clearinghouses known as National Currency Associations, which could issue additional amounts of national currency, identical to other national bank notes but backed by commercial paper, non-federal government bonds, and clearinghouse certificates. A stiff tax was imposed on these bank notes in order to encourage their quick retirement after the crisis for which they were issued had passed. Although the Act expired in 1915 and was superseded in 1914 by the Federal Reserve System, it functioned quite well during the 1914 panic occasioned by the outbreak of the First World War. Several analysts of national banking have concluded that the system might have continued operating successfully without the creation of the Federal Reserve if the Aldrich-Vreeland Act had been extended and some form of



The portrait of Secretary of the Treasury John Sherman, on this Third Charter note, was engraved by G.F.C. Smillie.

deposit insurance established.²⁴ Although space does not permit an exploration of the Federal Reserve System, suffice it to say that the economic conservatism of the period during which it was created, in addition to a reluctance to establish a European-style central bank, made it a painfully imperfect solution to the problems of national banking until the sweeping reforms of the New Deal era.

Conclusion

One of the most frustrating aspects of researching the National Banking System is the fixation on economics bound up in virtually every work on the subject. While bringing modern techniques of economic analysis to historical questions is both valid and extremely useful, there is a tendency to ignore or downplay the human components of a given situation. The National Banking System itself was rather complex, and any exploration of the topic must necessarily delineate the provisions of the most significant laws pertaining to national banks. However, most of the scholars who have turned their attention to national banking have been economists or economic historians; conversely, most of the contemporary criticism of the National Banking System came from agrarian activists and other reformers, and was highly impressionistic in nature. Although several modern analyses of the system have attempted to reconcile the impassioned complaints of nineteenth century farmers with hard-core economic analysis, the typical result is an essay filled with tables, formulas, and equations, which happens to have a few quotes from Populist journals thrown in as an apparent afterthought.

The most important recent essays on national banking have been primarily concerned with two questions: 1) did national banks operate as price discriminating monopolists in rural areas? and 2) did small-town national banks take funds that should have been invested locally, probably in agriculture, and send them instead to reserve and central reserve cities to be invested in the stock and call loan markets?

Although farmers had long blamed the high interest rates and discriminatory lending policies of national banks on some shadowy "eastern monopoly," Richard Sylla was the first writer to systematically tackle the question of whether rural, southern, and western national banks operated as individual monopolists. Sylla concluded that barriers to entry, such as minimum capital requirements, prohibition of mortgage loans, and ceilings on note-issue, coupled with the 10 percent tax on state bank note

issues in an era when checks were not commonly used outside of major cities, led to monopoly power for small-town national bankers. The fact that bankers' balances, including three-fifths of required reserves, could be held in distant cities and earn interest allowed country banks to keep the local supply of loanable funds artificially low. As proof of this he cites markedly higher interest rates in rural areas and the south and west in general, as well as higher profits for national banks in these regions than for those in eastern cities.²⁵ Helen Hill Updike, in a book subtitled "The Farmers and the National Banks, 1870-1900," questions Sylla's conclusion. While allowing that his hypotheses are consistent with observed reality, she notes that bankers' balances were not a creature of the National Banking System, existing at least forty years before the system's creation. More importantly, she questions why city bankers did not place funds in rural areas where monopoly returns could supposedly be earned. Ignoring the fact that an influx of capital from cities would eliminate the "artificially low level of loanable funds" held by country national banks, she suggests that bankers maximized real rather than money rates of return, and that real rates of return for country bankers were lower than for city bankers because of a greater risk of failure.²⁶ Both Sylla and Updike agree, however, that the structure of the National Banking System did indeed serve to cull funds that might have been invested locally in agriculture and instead send them to serve commerce and industry in the nation's financial centers.

Sylla and Updike, while noting that the effects of national banking on farmers were cruel and resulted in a great deal of hardship, both contend that the system resulted in a more efficient allocation of funds to the most rapidly expanding segments of the economy. It is doubtless true that the National Banking System pumped a great deal of necessary capital into industrial and commercial ventures and thus contributed to the unprecedented economic growth of the United States between the Civil and First World Wars. However, to dismiss agriculture as a declining segment of the economy is to ignore the human suffering brought about by this "efficient" allocation of funds. Sylla at his most sentimental stated:

The process of bank fund mobilization was a harsh one as far as the nation's farmers were concerned . . . But the history of modern economic growth is one of the declining relative importance of agriculture and the rising importance of industry; in the United States, banking developments merely hastened these trends.²⁷

A century after the fact, it is easy to view the National Banking System dispassionately. Panics are a thing of the past, the dark days of '93 and '07 are relegated to passages in dusty books and the occasional clearinghouse certificate seen in a coin dealer's showcase. Although national banking as it existed before the Great Depression is long gone, the words of James Weaver conjure up visions of the terrible poverty and long odds that faced late nineteenth century farmers, and the role which the National Banking System played in their economic oppression:

... the American people are within the hands and completely at the mercy of a lot of grinding speculators... what shall we say of the social structure when built upon a feeble and vicious financial foundation—when it depends for its strength and efficiency upon the speculative interests of a lot of adventurers?²⁸

The National Banking System did indeed contribute substantially to economic growth in the United States, but at what cost?

Notes

- ¹ Myers, *New York Money Market*, p. 218.
- ² Sylla, "The United States, 1863-1913," pp. 243-244.
- ³ *Ibid.*, p. 249.
- ⁴ Treasury, *National Bank Act*, p. 62.
- ⁵ White, *The Regulation and Reform of the American Banking System, 1900-1929*, pp. 23-25.
- ⁶ Myers, pp. 237-250.
- ⁷ White, p. 14.
- ⁸ Weaver, *A Call to Action*, p. 400.
- ⁹ Myer, p. 236.
- ¹⁰ Updike, *The National Banks and American Economic Development, 1870-1900*, p. 27.
- ¹¹ *Annual Report of the Comptroller of the Currency, 1915*, Vol. I, Washington, D.C., 1916, p. 23. Cited in Updike, p. 28.
- ¹² Broken Bow, NE, *Beacon*, 1895. Quoted in Updike, p. 26.
- ¹³ Updike, p. 26.
- ¹⁴ *Ibid.*, p. 27.
- ¹⁵ Sylla, pp. 243-244.
- ¹⁶ *Ibid.*, p. 245.
- ¹⁷ Krooss and Blyn, *A History of Financial Intermediaries*, p. 100.
- ¹⁸ Carson, ed. *Banking and Monetary Studies*, pp. 22-23.
- ¹⁹ Weaver, p. 395.
- ²⁰ Frank Drew, quoted in Hicks, *The Populist Revolt*, p. 92.
- ²¹ Krooss and Blyn, p. 101.
- ²² Updike, p. 56.
- ²³ White, p. 70.
- ²⁴ Carson, ed., p. 38.
- ²⁵ Sylla, pp. 246-247.
- ²⁶ Updike, p. 25.
- ²⁷ Sylla, p. 258.
- ²⁸ Weaver, pp. 400-401.

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by STEVE SCHROEDER

This innocent looking dollar bill is a reminder of the most famous bank robbery in the history of Minnesota.

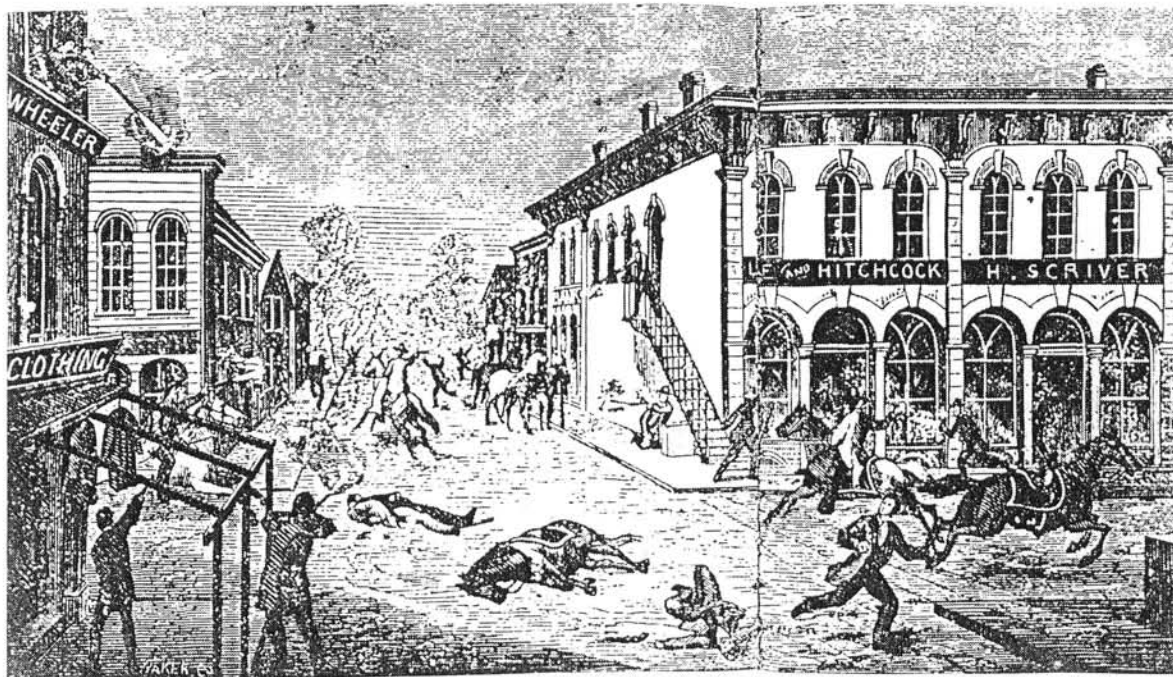
ON September 7, 1876, eight men entered Northfield to rob the First National Bank. They were Bob, Jim and Cole Younger, Clel Miller, Charlie Pitts, Bill Stiles (also called Bill Chadwell) and two men thought to be Frank and Jesse James. Three of the men (Pitts, Bob Younger, Frank James) entered the bank. The assistant cashier, J.L. Heywood, and two tellers, A.E. Bunker and F.J. Wilcox, were working there that day. The robbers demanded that Heywood unlock the safe. He said he couldn't unlock the safe, which was true since it was already unlocked with the door shut. The tellers would not open the safe either, and the robbers were not smart enough to not try opening it themselves. After a few minutes of this cat and mouse business, one of the robbers shot and killed Heywood and the three grabbed a few dollars in the tellers' cages and fled.

While this was going on inside the bank the other five gang members were standing watch at various places outside. J.S. Allen and Henry Wheeler, a medical student home from studies at the University of Michigan, noticed the men entering the bank. Allen tried to enter the bank, but was stopped by Clel Miller. When this happened Allen ran around the corner shouting, "Get your guns boys, they're robbing the bank."

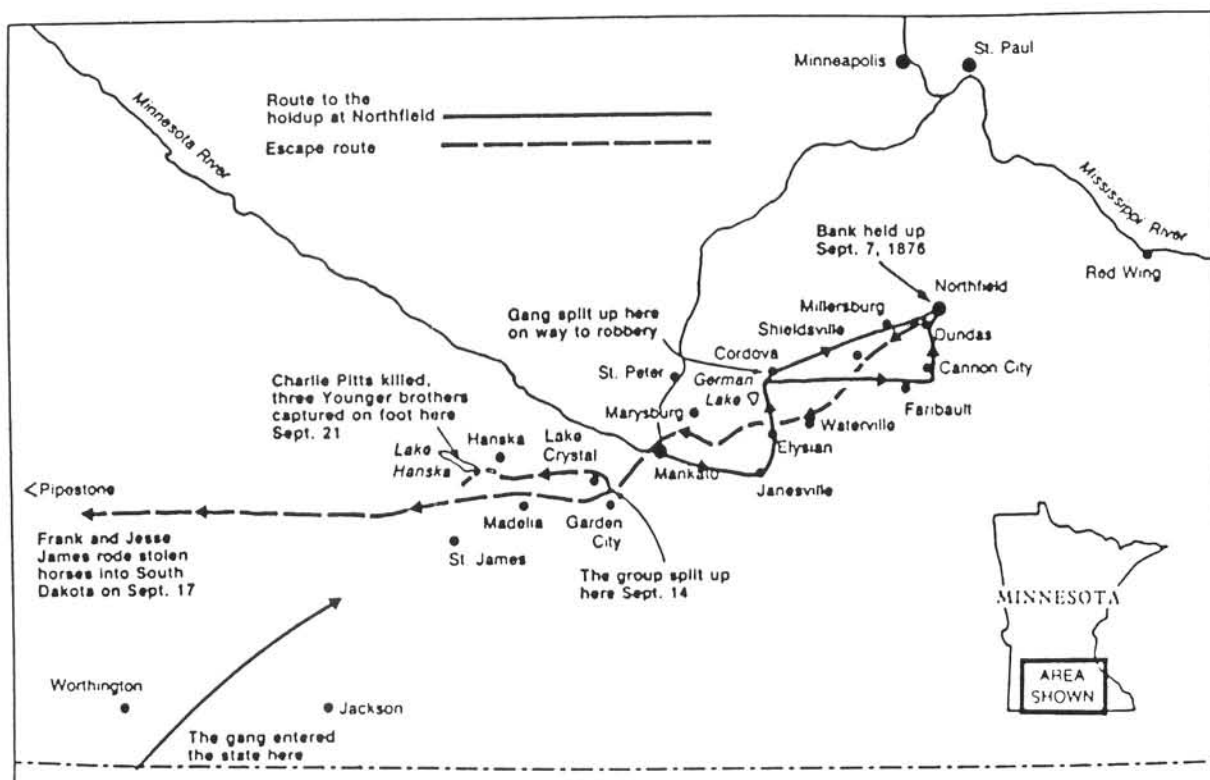
By this time shots had been fired in the bank. Allen owned a hardware store where he passed out shotguns to several townspeople who used them against the robbers. Wheeler found an old army carbine and three shells at the hotel. Anselm Manning, a carpenter, found an old breech-loading rifle and some ammunition. Although the others were armed only with shotguns, Manning and Wheeler did real damage. Manning could not at first get a good shot at any robber, so he shot one of their horses, figuring this would effectively disable the gang. After reloading he shot Cole Younger "in a vulnerable though not vital place" (as the historian Huntington wrote in 1895—which could have many meanings). Reloading again, Manning took careful aim and shot Stiles through the heart. Meanwhile Dr. Wheeler, firing from an upper window, killed Clel Miller with a single shot. Finally, Manning shot Bob Younger in the elbow, shattering the bone.

At this point the robbers fled as best they could. Stiles, who was the guide for the group, was dead. The robbers fled to the southwest and split into two groups. The James brothers escaped to Missouri. The Youngers and Charlie Pitts tried to flee, but got lost in the area. A posse, organized by Jesse Ames, lost their trail on the 14th. On the 21st a young boy, Asle Oscar Sorbel, whose identity was not generally made known until 1929, spotted the group. Over the objections of his doubting parents he went to Madelia and reported what he had seen. Sheriff James Glispin organized a group that captured the Youngers in Hanska Slough. Pitts was killed in this fight.

There is an amusing footnote to this story. Cadavers were in short supply at medical schools in 1876. The Northfield townspeople quickly buried Stiles and Miller, but Wheeler and two



Action in the street. Woodcut from John Jay Lemon, *The Northfield Tragedy* (1876).



Route of the James-Younger gang, from map owned by the Northfield Historical Society.



classmates who lived at Northfield exhumed the bodies illegally and shipped them to the medical school in barrels labelled "fresh paint."

It is said that Wheeler, with the help of a freshman, helped carry the barrels into the medical school. The lower classman asked what was really in the barrels since they were so heavy. Wheeler replied that they contained cadavers for the medical school. The freshman innocently asked, "Where did you get them?" Wheeler said, "I shot them." The freshmen turned white and, after finishing the chore, quickly disappeared.

Dr. Wheeler eventually became dean of the University of North Dakota Medical School at Grand Forks. He is said to have kept the skeleton of Clel Miller and displayed it in his office throughout his long career. The skeleton was lost in a fire early in this century.

Treasury records indicate that the illustrated \$1 bill was printed in 1873 or 1874. It is signed by G.M. Phillips, cashier, and Jesse Ames, vice-president. Mr. Ames organized the first posse. Was it among the few dollars that the robbers gathered up in the bank on September 7, 1876? We will never know. (Two nicer specimens, both number 1 notes, are located at the Higgins Museum and at the Minnesota Historical society.)

REFERENCES

Huntington, George. *Robber and Hero: The Story of the Northfield Bank Raid*. (St. Paul: Minnesota Historical Society Press, 1986.) This reprint is available for \$5.95 from the Minnesota Historical Society, St. Paul, MN 55101.

Railroad Notes and Scrip of the United States, the Confederate States and Canada

by RICHARD T. HOOBER

(Continued from PM 143, Page 157)

RICHMOND—VIRGINIA CENTRAL RAILROAD COMPANY

The company was incorporated February 18, 1836, as the Louisa Railroad, and changed to the Virginia Central on February 2, 1850. A single track was built from Richmond to Huntington, West Virginia, standard gauge, 418.9 miles in length. The line was operated by the Richmond, Fredericksburg & Potomac Railway, from 1837 to 1847. Acts passed in Virginia and West Virginia in 1867, changed the name to the Chesapeake & Ohio Railroad, effective August 31, 1868. On October 9, 1875, the properties went into receivership, until July 1, 1876, when the properties were acquired through foreclosure by the subsequent Chesapeake & Ohio Railway.

- | | | | |
|-----|--------|---|----|
| 27. | 10.00 | (L) 10. (C) Train, ship. (R) 10. | R5 |
| 28. | 20.00 | Similar to No. 27, except denomination. | R5 |
| 29. | 50.00 | Similar to No. 27, except denomination. | R5 |
| 30. | 100.00 | Similar to No. 27, except denomination.
Date—July 1, 1861.
Imprint—MacFarlane & Ferguson, Prints. | R6 |

WISCONSIN

BELOIT—RACINE & MISSISSIPPI RAIL ROAD COMPANY

The road was to run from Beloit to Freeport.

- | | | | |
|----|------|--|----|
| 1. | 5.00 | (L) Two Indians, one kneeling. (R) 5.
Date—July 1, 1858, part ink.
Imprint—Lith. of Ed. Mendel, Chicago. | R6 |
|----|------|--|----|

— ADDENDA —

ARKANSAS

CAMDEN—MISSISSIPPI, QUACHITA & RED RIVER RAILROAD COMPANY

- | | | | |
|-----|-------|--|----|
| 1A. | 50.00 | (L) Washington, 50 above, FIFTY below. (C) Farmer plowing with black and white horses, FIFTY below. (R) Franklin, 50 above, FIFTY below.
Date—Oct. 4, 1851, part ink.
Imprint—Danforth, Wright & Co. Philada & New York.
Danforth, Wright & Co. Cincinnati. | R7 |
|-----|-------|--|----|

CONNECTICUT**BRIDGEPORT—HOUSATONIC RAILROAD COMPANY**

- 3-A 3.00 (L) Man, cattle, sheep, 3 above and below. (C) Men in rowboat harpooning whale, ships in distance, 3 right. (R) Woman with sword, 3 below.
 Date—June 1, 1841, part ink.
 Imprint—Danforth, Underwood & Co. New York.
 Underwood, Bald, Spencer & Hufty. Philada.

R7

GEORGIA**SAVANNAH—CENTRAL RAILROAD & BANKING COMPANY**

- 93A. 15c Similar to No. 93, except date is December 19, 1862.

R5

MARYLAND**ANNAPOLIS—ANNAPOLIS & ELKRIDGE RAILROAD COMPANY**

- 1A. 50c (L) CENTS, 50 above, rural scene below. (C) Liberty seated, men working in field, buildings beyond. (R) Ship, 50 below.
 Date—May 17th, 1841, part ink.
 Imprint—Lith. by E. Weber & Co. Baltimore.

R7

BI-STATE**BELOIT, WISCONSIN & FREEPORT, ILLINOIS—RACINE & MISSISSIPPI
RAIL ROAD COMPANY**

1. 2.00 (L) Three workmen holding ornate 2 above heads. (C) Name, INCOME SCRIP below, "Total Issue limited to the Sum of \$125,000." (R) 2 in ornate design.
 Date—July 1, 1858, part ink.
 Imprint—Lith. of Ed Mendel.

R7



Read Money Mart

Syngraphic Vignettes

by ROBERT H. LLOYD

IF you are stuck for a club program sometime, try an evening of "How I Got Started in Paper Money," where those who volunteer relate briefly the situation that aroused interest and made them collectors. With that in mind, here goes an account of how this writer became interested in paper money, an interest that has lasted for sixty years.

In the early 'twenties there were no appreciable controls on high school students who were handling class funds. My brother carried \$600 in class funds in a shoe box, held on his lap while he rode the street car home! When he was through counting and allocating the various deposits on rings, yearbooks, etc., he asked me to assist in banding the notes.

There were three notes that demanded my immediate attention—two crisp "Black Eagle" certificates (\$1 Series of 1899) and a \$50 Silver Certificate. The crisp new "ONES" were part of that new printing that came about from the release of impounded notes that had been sequestered by the U.S. Treasury when silver dollars were melted for war purposes, and had to be restored under the Pittman Act of 1918. The coins began to be

minted in 1921. We had not seen new certificate "ONES" for several years; everything was 1917 greenbacks and Federal Reserve Bank Notes.

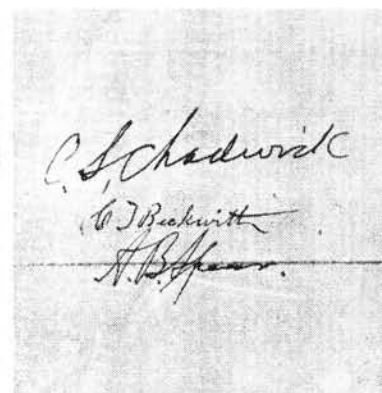
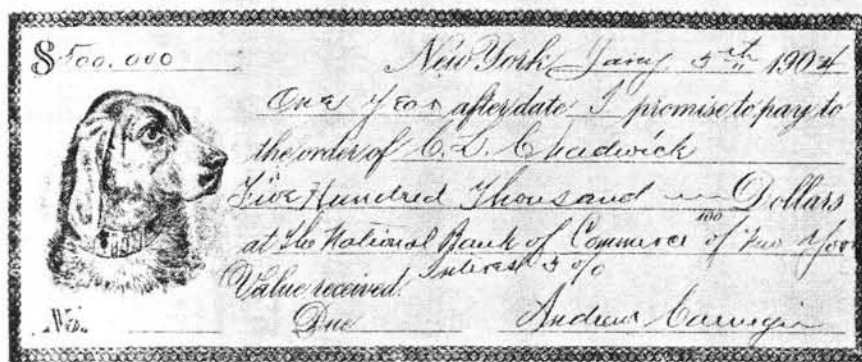
The other bill was the only \$50 Silver Certificate that I ever saw in circulation. It must have been one of those small releases of stored notes that were catalogued by Walter Breen some years ago.

We decided to save the \$1 "Black Eagle" notes. By all accounts they should have been spent, but fortunately they were saved for some weeks. A later examination revealed that they were a consecutively numbered pair with differing facsimile signatures! Note D49 287 072A was an Elliott-Burke, while note D49 287 073A was a Teehee-Burke. This discovery convinced the writer to become a paper money collector.

The notes were held for years, but finally Barney Bluestone listed them as Lot. 889 with the rest of my collection in his sale of December 2 & 3, 1932. Prices were low in this month at the very bottom of the Great Depression. I protected thirteen of my lots, and wound up buying back these two "Black Eagles." The pair was later sold to A.A. Grinnell for \$7.50; and they were sold again in Morey Perlmutter's sale of the Grinnell notes. Lot #963 (estimate \$10) brought \$7.25. (Thanks to Ron Horstman and Bob Cochran for this information from the Perlmutter Sale.) Today, the opening bid might be ten times this amount.

I sincerely hope the present owner of these certificates enjoys them as much as I did, as they represent one of the earliest known change-over pairs.

Chadwick (Continued from page 180)



A promissory note from Andrew Carnegie to C. (Cassie) L. Chadwick in the amount of \$500,000, plus 5% interest. This is one of the many forgeries generated by Cassie.

been convinced by Beckwith to loan her funds of his own). He was sentenced to seven years in jail, but his sentence was commuted by the president before he served the full term.

According to Kane, the losses of the Citizens National Bank compounded or sold under the court amounted to \$246,561; the stockholders were assessed 100% the bank's \$60,000 capital, and \$47,171 (76%) was collected. The amount of \$236,928.41 (77%) was paid to depositors and other creditors. The receivership was finally closed on June 30, 1913.

How much Cassie Chadwick cleared from all of her transactions is not known, but the figure probably exceeds \$2 million.

REFERENCES

Kane, T.P. (1922). *The Romance and Tragedy of Banking*. Second

Edition. New York: The Bankers Publishing Company.

Crosbie, J. (1975). *The Incredible Mrs. Chadwick*. Toronto: McGraw-Hill Ryerson, Limited.

Hickman, J. & Oakes, D. (1982). *Standard Catalog of National Bank Notes*. Iola, WI: Krause Publications.

"Who was Cassie Chadwick?". Letter from Herman L. Boraker. *Bank Note Reporter*, Volume 14, Number 12 (December 1986), page 6. Iola, WI: Krause Publications.

ACKNOWLEDGMENTS

My sincere thanks to Herman L. Boraker and Lowell Yoder for providing their notes for illustrations accompanying this article.



Interest Bearing Notes

Richard J.
Balbaton

Hello, I greet you for the first time as the new President of the Society of Paper Money Collectors. My name is familiar to many of you, as I have been book sales coordinator for several years and more recently also Vice-President of the SPMC.

I, along with the members of the Executive Board and the Board of Governors, have committed ourselves to following the "steady course" that was set by our previous President, Roger Durand. Foremost in our thoughts is to continue the financial stability we have most recently enjoyed, and increase our membership as best we can. Along these lines it is important for each and everyone of us to seek new members wherever and whenever we can. Simply put our continued financial health is dependent on growth of our membership base. Why not write the membership director to have him send you some application blanks so that you might sign up some of your associates.

As you read this we have just returned from what we hope will have been a successful conference in St. Louis, Missouri. This, the third annual show is sponsored by the Professional Currency Dealers Association, in conjunction with and support of the SPMC. Hopefully, I'll have good things to report to you on our activities next time in this column.

The Society has a need to develop a list of persons that might be able to give presentations at either of our meetings in Memphis or St. Louis. We will also consider hearing from individuals that don't attend either of these functions, but might be able to give a talk in their part of the country should we be able to set up a regional meeting there. We welcome speakers in any area of paper money collecting, be it U.S. or foreign, legal tender or not, fiscal paper, etc. Talks accompanied by a slide presentation of the discussed material seems to have the greatest appeal and will hold the attention of the attendees. All that is required is a presentation of 15 to 30 minutes duration. If you think you might be able to help us out, I would urge you to contact me ASAP.

Till next time, happy collecting! Dick Balbaton



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- 7842 F. Lawrence Janacaro, 112 NE 43rd St., Kansas City, MO 64116; C, MO & KS national & obsolete notes.
- 7843 Arthur J. Harris, 411 Haverstraw Rd., Suffen, NY 10901; C, Large- & small-size U.S. notes.

- 7844 David H. Gelwicks, 625 Borgess, Monroe, MI 48161; C.
- 7845 B.R. Williford, 128 Frank Dr., Chesapeake, VA 23320; C, Confederate & obsolete notes.
- 7846 David Niemeyer, 345 E. Auburn Way, Claremont, CA 91711; C, U.S. type & Confederate notes.
- 7847 Mike G. Chemaly, 603 Catherine St. Apt. 3, Ann Arbor, MI 48104; C, World, IL & MI obsolete notes.
- 7848 George Timmons, 5220 Two Notch Rd., Columbia, SC 29204; C&D, U.S. & obsolete notes.
- 7849 Richard K. Covington, Box 2766, Redondo Beach, CA 90278; C&D, Small-size type & error notes.

IN MEMORIAM



MATTHEW H. "MATT" ROTHERT

Another colleague has left us. On 18 September, at age 85, Matt Rothert died in Camden, Arkansas.

Matt, as he insisted his friends should call him, is most often referred to as the man who was responsible for putting "In God We Trust" on our paper money. His lobbying efforts during the early 1950s came to fruition on 11 July 1955 when a law was passed that required the motto to be placed on all new paper money plates.

From 1965-1967 Matt served as the President of the American Numismatic Association (ANA). In 1960 he received the Medal of Merit and in 1973 the Farran Zerbe Memorial Award for distinguished service, both from the ANA.

Matt Rother is the author of two books. *A Guide Book of United States Fractional Currency*, and *Arkansas Obsolete Notes and Scrip*; the latter written for the SPMC-Wisner paper money series.

Huntingburg, Indiana was the place of Mr. Rothert's birth. Four years after his graduation from the University of Notre Dame in 1924 he moved to Camden, Arkansas, where he established the Camden Furniture Co. Matt is survived by his wife, Janet Firing Rothert, two daughters, two sons, two sisters and eight grandchildren.

In 1961 Matt became SPMC charter member 161. He attended the first exploratory meeting where an organizing committee was formed. An account of this historic meeting, by Matt, is in *PAPER MONEY*, No. 122. Matt enjoyed relating a humorous incident that took place at this meeting.

Matt Rothert, with his pleasant smile and quiet sense of humor, will be missed by those who knew him.

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Paper Money will accept classified advertising from members only on a basis of 15¢ per word, with a minimum charge of \$3.75. The primary purpose of the ads is to assist members in exchanging, buying, selling, or locating specialized material and disposing of duplicates. Copy must be non-commercial in nature. Copy must be legibly printed or typed, accompanied by prepayment made payable to the Society of Paper Money Collectors, and reach the Editor, Gene Hessler, P.O. Box 8147, St. Louis, MO 63156 by the tenth of the month preceding the month of issue (i.e. Dec. 10 for Jan./Feb. issue). Word count: Name and address will count as five words. All other words and abbreviations, figure combinations and initials count as separate. No check copies. 10% discount for four or more insertions of the same copy. Sample ad and word count.

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BUYING OLD BANK CHECKS, certificates of deposit, bills of exchange, older books on Confederate or obsolete bank notes. Bob Pyne, P.O. Box 149064, Orlando, FL 32814. (145)

WANTED: INVERTED BACKS FOR MY PERSONAL COLLECTION. Any condition; large and small-size notes. Please send photo or description with your price for the notes. Lawrence C. Feuer, c/o C & F, 200 E. Post Rd., White Plains, NY 10601. (146)

ALBANY & TROY, NEW YORK NATIONAL WANTED. Also Altamont, Cohoes, Ravena, Watervliet, West Troy, Lansingburgh, Castleton. Describe or ship with price or for offer. William Panitch, P.O. Box 12845, Albany, NY 12212. (149)

BUYING OLD BANK CHECKS, certificates of deposit, bills of exchange, older books on Confederate or obsolete bank notes. Bob Pyne, P.O. Box 149064, Orlando, FL 32814. (145)

NEW YORK NATIONALS WANTED FOR PERSONAL COLLECTION: TARRYTOWN 364, MOUNT VERNON 8516, MAMARONECK 5411, Rye, Mount Kisco, Hastings, Croton on Hudson, Pelham, Somers, Harrison, Ossining, Yonkers, White Plains, Irvington, Peekskill, Bronxville, Ardsley, Crestwood, New Rochelle, Elmsford, Scarsdale, Larchmont, Port Chester, Tuckahoe. Send photocopy; price. Frank Levitan, 530 Southern Blvd., Bronx, NY 10455. (212) 292-6803. (144)

NUMBER ONE NOTES AND SHEETS, 11111111 through 99999999, nine digit 100000000, 2 through 9, large-size "stars" CU, small-size number one "stars", \$100 1966 "stars" s/n 1 to 4, Cu 1907 \$10 Gold, and high denominations in all United States types and varieties. Want Michigan Nationals, singles and sheets. KALAMAZOO, MICHIGAN all types. Paying up to \$25,000.00 for wanted notes and sheets. Jack H. Fischer 3123 Bronson Boulevard, Kalamazoo, MI 49008. A/C 616-344-5653 and 343-5538. (145)

1907 CLEARING HOUSE SCRIP AND CHECKS WANTED: Need examples and information from most states. Please send information with copy. I am currently interested in scrip from Mississippi, Ohio, Wisconsin, Virginia, North Dakota, Georgia and Florida. Tom Sheehan, P.O. Box 14, Seattle, WA 98111. (144)

MINNESOTA MATERIAL WANTED FOR MY PERSONAL COLLECTIONS: Obsoletes, Nationals, Postal Notes, Civil War Tokens. Have other states for trade. Send want list. Shawn Hewitt, Box 1114, Minneapolis, MN 55458-1114. (144)

MICHIGAN NATIONALS, OBSOLETES, SCRIP, SC, U.S. FRACTIONALS. FRN block set 1963-1974 including ★s, complete 358 notes \$1,200. Partial block sets, 1963, 1963A & B, 1969, 1974 lacking 4 notes, \$625. Dr. Wallace Lee, Suite 210, Summit Pl., Pontiac, MI 48053. (144)

WANTED, INFORMATION ON: \$1, 1865 1st NB of YPSILANTI. I have found three auction listings of this note. Grinell 2016 Gd & 4245 Fair; & Kosoff 517 Gd (10/26/71). Are these listings the same note or is there more than one known? David Davis, P.O. Box 205, Ypsilanti, MI 48197. (144)

WANTED: ALL OBSOLETE CURRENCY, ESPECIALLY GEORGIA, which I collect. Particularly want any city-county issues, Atlanta Bank, Georgia RR Banking, Bank of Darien, Pigeon Roost Mining, Monroe RR Banking, Bank of Hawkinsville, La Grange Bank, Central Bank Milledgeville, Ruckersville Banking Co., Bank of St. Marys, Cotton Planters Bank, any private scrip. I will sell duplicates. Claud Murphy, Jr., Box 24056, Winston-Salem, NC 27114. (147)

FIXED PRICE LIST OF BROKEN BANK NOTES, U.S. notes, paper Americana and tokens, about 40 pages. Norman Peters, P.O. Box 29, Lancaster, NY 14086. (144)

SCHENECTADY, NEW YORK 1929, T2 \$10 & \$20 WANTED. Also Canadian merchants scrip, chartered bank notes from Quebec Province. St. Eloi, P.O. Box 3536, Holiday, FL 34690-0536. (813) 942-6613; eve. 938-5141. (147)

WANTED: I will pay \$100 for a CU, \$1 FRN with serial number 00088888. Any series. Any block. Jim Lund, 2805 County Rd. 82, Alexandria, MN 56308. (145)

MINNESOTA NATIONALS WANTED BY TYPE. Notes of these types wanted from any Minnesota bank: \$50 or \$100 first charter period; \$100 1882 Brown Back or date back; \$50 or \$100 1902 red seal, \$100 1902 blue seal. Steve Schroeder, Box 323, Moorhead, MN 56560. (146)

WANTED ILLINOIS OBSOLETES from Bank of Illinois at Shawneetown and any obsolete banknotes from Vienna, Illinois. Gary Hacker, 2710 Overhill Rd., Pekin, IL 61554. (146)

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PAPER MONEY MAGAZINES, Jan. '77 No. 67 thru Dec. '88 No. 138; 72 issues, mint condition. Make offer. Ray Clarke, 1820 Howe Ln., Maple Glen, PA 19002.

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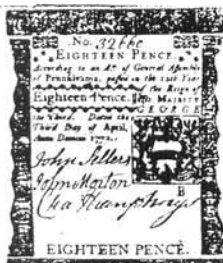
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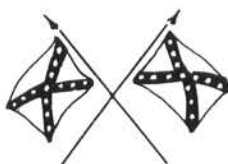
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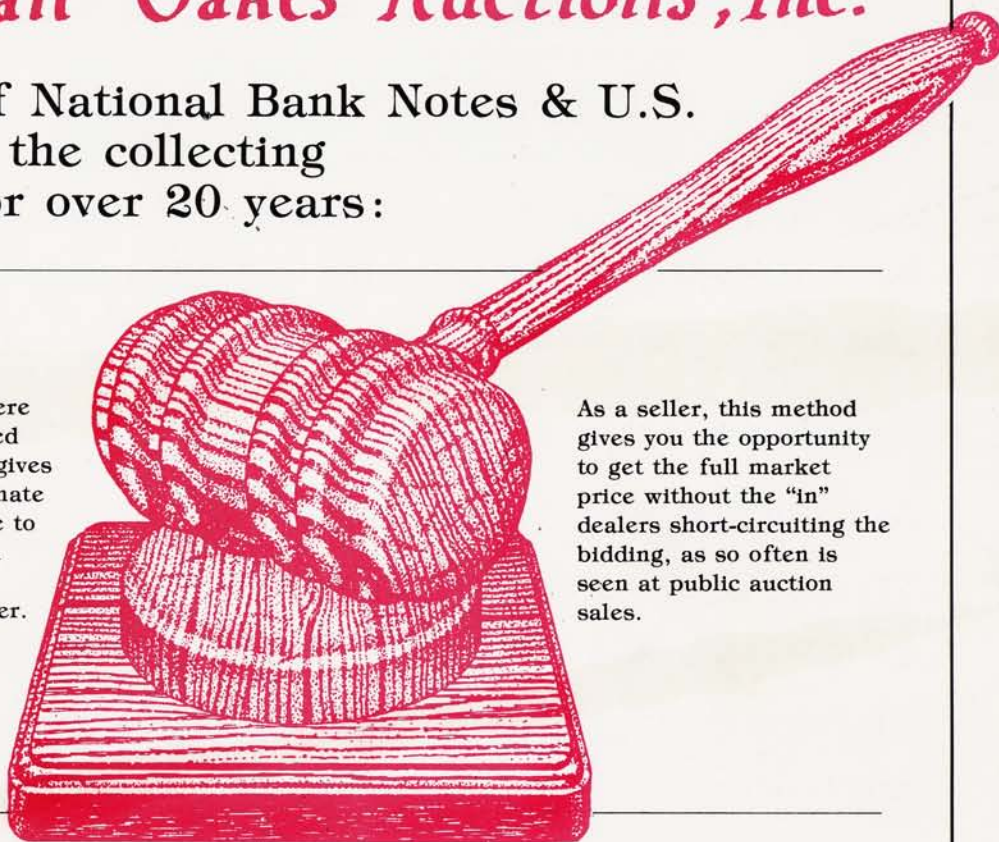
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